

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE CONSIDERATION OF THE COST)	
OF SERVICE STANDARD IN SECTION)	ADMINISTRATIVE
111(d)(1) OF THE PUBLIC UTILITY)	CASE NO. 203(a-d)
REGULATORY POLICIES ACT)	

O R D E R

On March 12, 1981 Armco, Inc. (Armco), by counsel, filed its Motion to Postpone Proceedings until such time as the constitutionality of the Public Utility Regulatory Policies Act of 1978 (PURPA) is determined by the Federal Courts. The Motion cites a decision rendered February 19, 1981 by the United States District Court for the Southern District of Mississippi, Jackson Division, wherein the Court found Title I of PURPA to be unconstitutional.

Armco submitted a Memorandum in support of its Motion. The Memorandum states, among other things, that in the event the ruling of the District Court is upheld in the appellate process and state regulatory authorities are not bound by the mandates of PURPA, these proceedings will have been unnecessary, and, further, that the extensive effort and time required of the Commission and the parties to adjudicate this series of cases, if found to be unnecessary, will be contrary to the public interest.

The Commission, having considered the Motion and being advised, is of the opinion and FINDS:

1) That the decision cited by Armco is that from a lower Federal Court and is therefore subject to appellate review;

2) That the court action was instituted by the State of Mississippi and its Public Service Commission, another regulatory jurisdiction.

3) That for a considerable period of time the Commission has been concerned with aspects of PURPA and hearings have been held to consider these matter;

4) That the general purposes of PURPA, specifically, conservation of energy, efficient use of facilities and resources and equitable electric rates are important, and that the public interest requires that rate design standards including cost of service be considered by the Commission, whether or not there is a Federal mandate to do so.

IT IS THEREFORE ORDERED That the Motion of Armco, Inc. be and it hereby is overruled.

Done at Frankfort, Kentucky, this 17th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Votz
Chairman

Katherine Randall
Vice Chairman

Don Harquie
Commissioner

ATTEST:

Secretary